

WASHINGTON HIGHER EDUCATION
FUNDING AND ENROLLMENT ANALYSIS
PROJECT WORK PLAN

For the Washington Learns
Steering and Higher Education Advisory Committees

JANUARY 2006
(Revised January 27, 2006)



Olympia, Washington

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Introduction and Study Purposes

The study purposes are based on the Washington Leans Steering Committee's statutory mandate to:

Develop recommendations for a new postsecondary education funding structure that identifies (1) how best to distribute current dollars and (2) whether additional funding is necessary to achieve Washington's higher education goals.¹

¹ Engrossed Second Substitute Senate Bill 5441 requires the Washington Learns Steering Committee to coordinate the studies called for by the bill. The enactment also requires that the Steering Committee's comprehensive study of higher education include (but not be limited to):

"Options for creating a new funding system; The number and distribution of enrollments at two and four-year institutions of higher education needed to meet demographic and work force training needs; methods of determining the cost of instruction in various program areas; methods for developing common articulation of lower division work; the appropriate share of the cost of instruction that should be funded through tuition, general and state subsidies, and financial aid; providing for smooth transitions from high school to college, including dual credit options and adequate preparation for college-level coursework; identifying strategies and associated costs to increase opportunity for access to baccalaureate degrees at public institutions of higher education; identifying incentives to optimize research conducted by public universities and colleges that has the potential to stimulate the economy and address economic and social issues related to Washington citizens; options for using existing capacity in independent colleges and universities; a review of higher education governance as it relates to fiscal policy for higher education; and options for coordinating capital and operating appropriations."

The legislation's reference to K-12/higher education transitions and related matters is notable in view of the concurrent study of K-12 finance underway for the Steering Committee. The concept of "seamlessness," or a P-20 system, a subject of interest to the Washington Learns Steering Committee, is an additional factor. It is important that efforts be made to coordinate the K-12 and

The scope of work is categorized under three task headings, two of which (the funding and enrollment analyses) are substantive in nature; the third is essentially procedural:

Task 1: Capacity Analysis

- Analyze the efficiency and effectiveness of the State of Washington's current system of postsecondary education and training to meet demographic and workforce needs.
- Identify the number and type of enrollments needed to meet the state's demographic and workforce needs. The analysis should consider both program type (e.g., academic, workforce training, and adult education programs) and delivery modes (e.g., traditional institutional enrollments, apprenticeship programs, and innovative, technology-based methods of program delivery).
- Identify options for the distribution of enrollments among institutions, education servers, and delivery models. This analysis should consider state and regional needs, and capacity in both public and private sectors.

Task 2: Financial Analysis

- Analyze the efficiency and effectiveness of the state's current methods of funding postsecondary education and training.
- Identify options for creating a new funding system that is stable and that will meet demographic and workforce needs.
- Identify methods of determining the cost of instruction for various programs.
- Identify options for determining the share of the cost of education that should be funded through tuition, state appropriations, and financial aid. When identifying options for tuition policy, consider both a single statewide tuition strategy and institution or sector-specific strategies.
- Identify strategies and costs associated with increasing access to baccalaureate degrees.
- Review the effectiveness of the *state's* higher education governance structures to implement state funding policies.

higher education funding studies whenever practical and feasible. This work plan takes these considerations into account.

Task 3. Report to Washington Learns

- Attend meetings of the Washington Learns Steering and Advisory Committees as appropriate.
- Use and refer to recently completed reports of various state agencies addressing some or all of the above topics. Integrate ongoing work of the Steering and Advisory Committees whenever possible.
- Write and deliver reports to the Washington Learns Steering and Advisory Committee identifying and describing options to change the state's higher education finance system and a plan for enrollment by size, type, and distribution.
- Identify opportunities to scale or target services or investments to phase new expenditures in over time.
- Discuss possible adverse effects of any option.
- Report as necessary to the Washington Legislature.

The research program is complex and multidimensional. The statutory instruction to consider recently completed reports of state agencies is indirect testament to the fact that when it comes to higher education, Washington is a data rich state. Especially when aspects of funding are involved.

A number of agencies have roles in the drama. The Office of Financial Management [OFM], the Legislative Evaluation and Accountability Committee [LEAP], the Higher Education Coordinating Board [HECB], the State Board for Community and Technical Colleges [SBCTC], the Workforce Training and Education Coordinating Board [WTECB], the legislative committees and their staff members, and such associations as the Council of Presidents [COP] for the four-year public institutions are among the more prominent.

Since the study mandate also speaks to the need to consider the independent colleges and universities when addressing capacity, the Washington Association of Independent Colleges and Universities [WAICU] comes into play.

The Washington Learns Steering Committee also is exploring aspects of a P-20 arrangement, this brings the Office of the Superintendent of Public Instruction [OSPI], and the Steering Committee's K-12 funding study into the picture.

National and Regional organizations and repositories such as the Western Interstate Commission on Higher Education [WICHE], the State Higher Education Executive Officers Organization [SHEEO], Grapevine [an Illinois State University research and data center], the National Center on Higher Education Management Systems [NCHEMS], and others have comprehensive data bases

that can be used to compare Washington's levels of effort with those of other states and with national averages.

Work Plan Assumptions

1. Washington is a data rich state, one with great depth and experience in policy expertise. A significant study task involves consulting with those who work in and with higher education funding issues. This includes people in the executive and legislative branches and their associated organizations (e.g., LEAP and others); people in higher education, both public and private, two- and four-year, academic and technical; the higher education and workforce agencies (e.g., HECB, SBCTC, WTECB), and the various agencies of government. The study also must call upon expertise at the national and regional levels. Efforts will need to be made throughout the study to consult with people in these organizations on concepts while they are still in the early development stages. Some reasonable level of consensus will be sought as part of the study report preparation process.
2. Just as there are a lot of players in the drama, so is there a lot of material. Identifying, collecting, analyzing, and smoothing the data is an essential need.
3. Much of the analysis will require evaluation of what is being done or has been employed in the past. Considerable attention will need to be devoted to the development of appropriate and sensitive evaluation criteria.
4. Close and continuing contact with the Steering Committee and the Higher Education Advisory Committee must be stressed and pursued throughout the study. Regular progress reports at committee meetings, and at the call of the Steering and Higher Education Advisory Committees will be scheduled and encouraged
5. Because this is a policy-level study for a policy recommending organization, it is assumed the appropriate level of detail is of that nature. For example, the assumption is that aspects of determining the costs of instruction will be at a higher level of detail than the actual identification of costs themselves. This applies throughout the study. A basic assumption is that the review must involve policy analysis and imaginative and inventive policy-level recommendations.
6. The Washington Learns Steering Committee also is concerned with the entire education system, P-20. A K-12 funding study also is underway. It will be important to coordinate the two efforts and explore funding aspects of the K-20 concept.

7. The study involves an examination of base funding, evoking the principal of adequacy; it calls for a review of tuition policies, addressing aspects of access and equity. Use of the budget as a means to implement priorities and initiatives is an important area of inquiry.
8. Although the research program extends from January 3, 2006 to January 31, 2007, about 55 weeks, the research component of the work is front-loaded: the time available for the research leading to a report is about 30 weeks. The time available for post-report activities is nearly as much – 25 weeks. Because the research program is compressed and intensive, several lines of inquiry will need to occur in parallel.
9. The study must blend theoretical concepts with practical applications, in effect calling upon the mixture of experience in each of these realms that the proposal team has been assembled to bring to the task.

Study Team

The complex nature of the research program, the time constraints governing its completion, and Washington's history with different funding and enrollment planning programs require a study team composed of people with extensive and relevant experience. The team that will be working on this research program amply meets this criterion. The members are:

Dr. William Chance, Project Manager and Principal Researcher:

William Chance is Executive Officer of the Northwest Education Research Center (NORED). Chance will participate in the study both as a principal researcher and project manager. Particular attention will be directed to funding systems, expanded baccalaureate access, and governance related to fiscal policy. Chance will write the draft and final reports, progress reports, and be responsible for presentations during the post-report period.

James M. Furman, Senior Project Advisor:

James M. Furman will serve as a senior project advisory team for the study. He is former Executive Director, Washington State Council on Higher Education; Executive Director, Illinois Board of Higher Education; and Executive Officer, Ohio Board of Regents. He also is former Vice President and Assistant to the President and Board of Directors Member of the John D. and Catherine T. MacArthur Foundation.

Dr. Anne-Marie McCartan, Senior Project Advisor:

Anne-Marie McCartan will serve as a Senior Advisor focused on community college and technical institution funding issues. She brings to the study expertise with respect to community colleges and two-year systems in particular, and higher education funding and strategic planning in general. Dr. McCartan is President of the Northwest Campus of Pima College in Tucson, Arizona.

Dr. Donald E. Heller, Project Team Member – Tuition and Costs of Instruction:

Donald Heller will serve as a principal researcher and member of the project team responsible for the portion of the study concerned with tuition and student financial assistance policies and distribution of the cost burden. Dr. Heller is Associate Professor and Senior Research Associate in the Center for the Study of Higher and Postsecondary Education at Penn State University.

Peter Blake, Principal Researcher Higher Education Funding Systems:

Peter Blake brings expertise in state funding systems and funding policy to the study and will be principally responsible for the part involving funding stability and funding systems. Peter is Secretary of Education for the Commonwealth of Virginia. Prior to this appointment, he was Deputy Secretary of Education. His responsibilities include policy and budget development for Virginia's colleges and universities, elementary and secondary schools, and state-owned museums and libraries. He previously worked on the staff of the House Appropriations Committee of the Virginia General Assembly with primary responsibilities for higher education.

Dr. Paul Sommers, Workforce Training Funding:

Paul Sommers will focus on aspects of funding for workforce training. Paul teaches at Seattle University and is a former member of the research faculty at the University of Washington. He is a recognized expert in workforce training analysis and policy, with particular expertise in Washington and the Pacific Northwest.

Dr. William Zumeta, Principal Researcher, Higher Education Governance as it Relates to Fiscal Policy

William Zumeta is a faculty member at the University of Washington, presently engaged in sabbatical studies with the National Center for Public Policy and Higher Education. He has studied and written extensively on public and private higher education in Washington and nationally, most recently on the alignment of the fiscal system and public policy. He will focus on this and higher education governance as it relates to fiscal policy.

Dr. Richard Lutz, Researcher, Baccalaureate Access and Workforce Training:

Dr. Richard Lutz is an expert in workforce training at both the secondary and postsecondary levels with extensive experience in Washington State. He has participated in a number of NORED studies, most recently a needs assessment directed to postsecondary education and workforce training services in the north central region of New Mexico. He will serve as a member of the study team in various capacities with particular attention to K-20 potential.

Dan Keller, Technical Advisor, Washington Higher Education Funding:

Dan Keller is a former HECB and OFM staff member. He brings experience with Washington budget and higher education funding issues to the study. He will serve as a technical advisor.

Dr. Jack Daray, Technical Advisor, Washington Policies and Data:

Dr. Jack Daray will serve as a technical advisor on the study, responsible for assistance on such matters as advice and guidance on funding policy matters and data sources and interpretation. Jack is a former Washington legislative staff and HECB staff member.

Their members' presence in the major study phases of the research program is illustrated by the references on the work plan and task lists that follow.

Work Plan

The research program involves a review of postsecondary education funding and enrollment planning on a number of dimensions. It involves an examination of higher education funding and enrollment policy in Washington over time and in comparison with other states, including others in the region and states with similar demographic, social, economic, and education characteristics. The analysis will focus on the adequacy, equity and appropriateness of various funding models and alternatives to allocate the state's resource within postsecondary education.

Out of this will come conclusions on how well Washington can accommodate the future education needs of the state and how appropriate the current allocation mechanisms within postsecondary education are in meeting projected demand. The analysis will generate a series of policy recommendations, a set of alternative funding models, and periodic, and specific benchmarks by which policy makers can assess progress.

The tuition and financial aid portions of the study are of particular interest because they involve the second major stream of higher education revenue. They will comprise examinations of undergraduate tuition pricing and financial

aid policies in each sector of public higher education. The focus will be on the relationship between pricing and aid policies and participation in public higher education and the other interests of Washington Learns. The objectives of the study will be to:

- Summarize the relevant research on tuition pricing policies, financial aid, and college participation.
- Examine the recent history of funding, tuition pricing, and financial aid policies in Washington, both for resident and non-resident students, and relate these to regional and national trends.
- Consider and evaluation costing models in terms of their efficacy for public policy in this state.
- Examine recent trends in tuition pricing and financial aid for distance learning delivery of undergraduate education.
- Identify alternative tuition and financial aid policies for consideration, with concern for minimizing barriers to access, and
- Establish an adequate, equitable and flexible financing system that supports institutions and students in need.

The work plan allows for opportunities to present study findings, conclusions, and recommendations to interested audiences at meetings designated by the Steering Committee after the final report has been presented.

The following work plan describes the general sequence of events, the supporting tasks, the applicable dates (based on the schedule of events that follows), and the 'deliverables' or products associated with each phase.

Phase I: Project Initiation:

Weeks of: January 3 through January 15, 2006

Objectives: Agreement on the work plan and schedule and inaugurate the project.

Project Team Principals: Dr. William Chance, Dr. Richard Lutz, Dr. William Zumeta, and Dr. Paul Sommers, and other team members as needed.

Product: Formal project work plan

1. Conduct initial meetings with Steering and Advisory Committees and staff, agree on project ground rules and expectations, including arrangements for progress reports; identify data and document sources; establish understandings concerning the study approach, reporting dates, and deliverables; identify comparison states or peer organizations.

2. Solicit suggestions of evaluation criteria and list of key contacts.
3. Determine or clarify expectations regarding other study related issues.
4. Identify funding and enrollment models, concepts, systems, and approaches of special interest to Washington Learns.
5. Refine and agree on major study methodologies, dates, times, notifications, and general procedures
6. Conduct initial interviews with other interested parties and organizations on issues, concepts, models, alternatives, etc.
7. Prepare and submit detailed project work plan for approval
8. Complete such other project initiation tasks as needed
9. Deliver formal work plan
10. Inaugurate the research program

Phase II: Conduct preliminary research processes.

Weeks of: January 23 through February 27, 2006

Objectives: Collect and assemble documents and data, conduct literature and data review; coordinate with K-12 funding study team; prepare progress reports.

Project Team Principals: Dr. William Chance, Peter Blake, Dr. Don Heller, Dr. William Zumeta, and other team members as needed.

Products: Progress reports on P-20 system and Washington funding, enrollment, and higher education investment policy context. Collect pertinent documents and data.

1. Complete survey of other states and prepare progress report on state 'P-20 education systems.'
2. Conduct literature/data review and prepare funding, enrollment, and investment context report.
3. Arrange meeting with K-12 funding study team to discuss and coordinate funding needs and possibilities.
4. Present progress reports.

Phase III: Analyze major study components; Develop working papers on project components

Weeks of: March 6 [March 1] through May 22, 2006

Objectives: Conduct analyses of major project components; prepare and present progress reports.

Project Team Principals: Dr. William Chance, Dr. Donald Heller, Dr. William Zumeta, Dr. Paul Sommers, Peter Blake, Dr. Richard Lutz, Senior Project Advisors James Furman and Anne-Marie McCartan, and Technical Advisors Dan Keller and Dr. Jack Daray.

Products: Progress reports and working papers on appropriation patterns; tuition, fees, student financial aid, and costs of instruction and allocation models; alternative funding systems; linking funding with state policy, enrollment growth, economic development and higher education, and distributing enrollments among institutions, sectors, and modes.

1. Prepare working papers on each of the major project components, evaluating present approaches and alternatives.
 - a. Funding systems
 - b. Costs of instruction
 - c. Tuition and financial aid
 - d. Apportioning shares
 - e. Fiscal governance
 - f. Enrollment models
 - g. Enrollment distribution models
 - h. Increasing capacity
 - i. Investment strategies
2. Develop findings and preliminary recommendations on present approaches and alternatives.
3. Identify strengths and possible adverse effects and unanticipated consequences of alternatives.
4. Review working papers with project team members and senior project advisors.
5. Present working paper summaries with tentative findings and recommendations to Higher Education Advisory Committee.
6. Circulate papers among appropriate constituencies for review and comment, as appropriate

7. Revise papers as needed.
8. Prepare and present progress reports.

Phase IV: Synthesize working papers into draft report

Weeks of: May 29 through June 19, 2006.

Objectives: Develop draft report for internal review.

Project Team Principals: Dr/ William Chance, James Furman, Anne-Marie McCartan, and other team members as needed.

Products: Draft report for Internal Review; draft dissemination plan.

1. Assemble working papers on project components
2. Synthesize into draft report for internal review.
3. Develop draft report distribution strategy;
4. Review draft with Washington Learns Steering and Higher Education Advisory Committees
5. Revise draft accordingly for distribution.

Phase V: Distribute draft report and seek review and comments; Organize final report.

Weeks of: June 26 through July 31, 2006

Objectives: Distribute draft report for review and comment; receive comments and organize responses to draft report for use in a final project report.

Project Team Principals: Dr. William Chance and other team members as needed.

Products: Draft report for external review; progress reports and presentations to the Washington Learns Steering and Advisory Committees.

1. Distribute draft report for review and comment, in accordance with distribution plan.
2. Present progress report on draft to the Washington Learns Advisory Committee.
3. Present progress report on draft to the Washington Learns Steering Committee.
4. Collect, organize, and consider responses.

Phase VI: Develop final report.

Week of August 7, 2005

Objectives: Gather and analyze responses to draft report; prepare and complete final report.

Project Team Members: Dr. William Chance, James Furman, Ann-Marie McCartan, other team members as needed.

Products: Summary paper on responses; final report.

1. Analyze responses to draft report.
2. Prepare final report.
3. Project team review of final report.
4. Revise as appropriate.
5. Deliver progress and final reports to Washington Learns Steering Committee Executive Director

Phase VII: Post-Report program activities

Weeks of: August 14, 2005 through January 29, 2007

Objectives: Complete remaining project tasks, including final reports to the Washington Learns Advisory and Steering Committees and the Washington Legislature.

Project Team Principals: Dr. William Chance; other team members as needed.

Products: Presentations and such other activities as may be requested by the Advisory and Steering Committees.

1. Presentation of final report to the Washington Learns Advisory Committee.
2. Presentation of final report to the Washington Learns Steering Committee.
3. Presentation of final report to the Legislature.

Project Schedule and Work Flow:

The work plan phases, specified dates of the RFP and the Steering and Higher Education Advisory Committee meetings, progress reports, and indicated audiences (Steering or Higher Education Advisory Committee) are summarized on the following graphic (which also brings this statement on the project work plan to a close.)

After Project Initiation (Phase I), which is directed at both the Steering and Advisory Committees, the emphasis is on progress reports to the Higher Education Advisory Committee through the Preliminary Research, Analysis and Working Paper development stages (Phases II and III). At this point (Phases IV and V) the emphasis shifts to the Steering Committee, although joint Steering and Higher Education Advisory Committee meetings are recommended to receive the draft and final reports. The reporting emphasis during the post-report period (Phase VII) through project completion is on the Steering Committee.



WASHINGTON LEARNS FUNDING AND ENROLLMENT ANALYSIS WORK PLAN SCHEDULE OUTLINE

JANUARY 2006

Project Week	RFP Mandated Dates	Steering Committee Meeting Dates	Higher Education Advisory Committee Meeting Dates	Work Plan Phase	Products (Progress Reports, Papers, etc.)	Audience
1-3	January 3, January 17, 2006 (Project Commences, Work Plan)	January 12, 2006	January 12, 2006	<i>I. Initiation</i>	PR on Formal Work Plan	SC/AC
4			January 24, 2006	II. Preliminary Research	PR on P-20	AC
5-7		February 13, 2006				

Project Week	RFP Mandated Dates	Steering Committee Meeting Dates	Higher Education Advisory Committee Meeting Dates	Work Plan Phase	Products (Progress Reports, Papers, etc.)	Audience
8	February 21, 2006 (Update)		February 21, 2006		PR on Washington HE Funding & Enrollment Context	AC
9		March 3, 2006		<i>III. Analyses and Papers</i>		
10-12			March 23, 2006		PR on Costs of Instruction, Tuition and SFA, Apportioning Shares	AC
13-16	April 18, 2006 (Update)	April 10, 2006	April 18, 2006		PR on Enrollment & Distribution Models, Increasing Capacity, Investment Strategies	AC
17-20		May 15, 2006				

Project Week	RFP Mandated Dates	Steering Committee Meeting Dates	Higher Education Advisory Committee Meeting Dates	Work Plan Phase	Products (Progress Reports, Papers, etc.)	Audience
21			May 23, 2006		PR on Funding Systems, Fiscal Governance	AC
22-25	June 23, 2006 (Internal Draft)	June 14, 2006	(Possible Need for Joint Meeting June 23, 2005)	<i>IV. Synthesize Papers into Draft Report</i>	Internal Draft Report and Dissemination Plan	SC/AC
26-29	July 18, 2006 (Presentation to SC)		July 18, 2006	V. Disseminate Draft	PR on Responses	SC/AC

Project Week	RFP Mandated Dates	Steering Committee Meeting Dates	Higher Education Advisory Committee Meeting Dates	Work Plan Phase	Products (Progress Reports, Papers, etc.)	Audience
30-32	August 11, 2006 (Final Report)	August 7, 2006	(Possible Need for Joint Meeting August 11, 1006())	<i>VI. Develop Final Report</i>	Final Report	SC/AC
33			August 22, 2006	<i>VII. Post Report Activities</i>	PR as Needed	SC
34-37		September 12, 2006			PR as Needed	SC
38			September 19, 2006		PR as Needed	SC
39-41		October 9, 2006			PR as Needed	SC
42			October 17, 2006		PR as Needed	SC

Project Week	RFP Mandated Dates	Steering Committee Meeting Dates	Higher Education Advisory Committee Meeting Dates	Work Plan Phase	Products (Progress Reports, Papers, etc.)	Audience
43-46		November 13, 2006			PR as Needed	SC
47-52	December 2006 or January 2007 (Presentation to Legislature)				PR as Needed	SC
53-55	January 31, 2007 (Contract Completion)				Closure as Needed	SC